equity enforcible only through the courts. So this implied contract, wherever made, could not vest title in the wife to personalty acquired by the husband by force of the law of England, but would give merely an equitable claim against his estate.

COMPANY PROMOTERS ARE FIDUCIARIES. — It is common in the commercial world for an owner of property who desires to sell to take an active part in forming a company to purchase his interests. And it usually happens that the promoter himself is made a director of the new company or selects the board. The law makes no attempt to prevent such a sale of property, recognizing that the individual promoter-vendor and the corporate vendee are distinct persons. But in a court of equity the action of the promoter is closely scrutinized, since in the nature of things his interests as vendor and as one of the vendees may clash. The relation between him and the company is therefore regarded as fiduciary. *Erlanger* v. *Sombrero Phosphate Co.*, 3 App. Cas. 1218. And this was deemed so important that Lord Cairns thought it incumbent on such organizer to provide his company with an independent board of directors whose action might be free and intelligent. It seems unnecessary, however, in all cases to go so far as in *Salomon* v. *Salomon*, [1897] App. Cas. 22, where all the shareholders knew and approved the terms of sale. There, as the number of shareholders was strictly limited, it was held that the directors might bind the company by a contract with themselves as promoters. See Alger Promoters, p. 28. These exceptional cases, however, seem not to have introduced principles inconsistent with *Erlanger's* case. The importance of the fiduciary obligation on the vendor towards the company still remains.

The case of *Lagunas Nitrate Company* v. *Lagunas Syndicate*, [1899] 2 Ch. 392, therefore seems strangely lenient in this regard. A syndicate owning certain nitrate works formed a company to purchase the property. The board of directors of the two organizations was identical. These facts were noted in the articles of association, but received mere mention in the prospectus given to the public. Yet the court held that the interest of the syndicate was sufficiently disclosed, and the company was not entitled on that ground to rescission of the contract. Strictly speaking, such notice may meet all the technical requirements. One who reads the prospectus knows the facts, and need not purchase unless he chooses. But when one buys without seeing the prospectus he is to be regarded as having constructive if not actual knowledge of the conditions. To allow a fiduciary relation to be satisfied by the fiction of constructive notice, however, seems to go far toward denying its essential feature. In practice the investing public buy shares without seeing the prospectus, or regard it as a document in which it is entirely possible to state facts in such manner as to dull their real significance. If then the principal case is followed, and mere statements of the prospectus be sufficient, in every case there must be a perplexing question as to whether the words really convey the meaning clearly, for if they do not the purchaser is not warned, and the promoter has accordingly failed in his duty. On the whole it seems better to insist upon a more stringent rule with reference to the promoter-vendor's duty than the principal case demands.